

Message Text

LIMITED OFFICIAL USE

PAGE 01 LA PAZ 03005 092235Z

71

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-10 NSAE-00 RSC-01 FAA-00 XMB-07 L-03

TRSE-00 DRC-01 /059 W

----- 097280

P R 092124Z MAY 74

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 3046

INFO AMEMBASSY LIMA

AMEMBASSY PANAMA

LIMITED OFFICIAL USE LA PAZ 3005

E.O. 11652: N/A

TAGS: EFIN, BL

SUBJECT: LAB BUYS JET

1. BOLIVIAN NATIONAL AIRLINE, LLOYD AEREA BOLIVIANA (LAB), FINALLY SIGNED SALES CONTRACT MAY 7 FOR PURCHASE 727-100 C FROM TIA. LAB HAS ANNOUNCED THAT NEW AIRCRAFT WILL ARRIVE BOLIVIA MAY 17 AND THAT AIRLINE'S SOLE OTHER JET WILL BE REMOVED FROM SERVICE FOR OVERHAUL BY AVIANCA IN MID-JUNE.

2. CONTRACT SIGNING COMES AFTER OVER SIX MONTHS OF NEGOTIATIONS THAT WERE SLOWED BY INEXPERIENCED NEGOTIATORS AND BICKERING AMONG BOLIVIANS. LAB PAID \$3.7 MILLION FOR AIRCRAFT AND \$.4 MILLION FOR SPARES. TIA RECEIVED CERTIFIED CHECK FOR \$1.1 MILLION AND 90-DAY IRREVOCABLE LETTER OF CREDIT FOR \$3 MILLION.

3. GOB HAS SEVERAL COMMERCIAL LOAN OFFERS FOR FUNDS TO COVER LETTER OF CREDIT IN NEXT 90 DAYS. CONSIDERATION WAS GIVEN TO APPLYING FOR CAF FINANCING WITH SOME PARTICIPATION BY U.S. EXIM. BOLIVIAN OFFICIALS NOW APPARENTLY BELIEVE THAT SUCH SOFTER FINANCING WOULD NOW BE DIFFICULT TO OBTAIN BECAUSE AIRCRAFT IS USED AND ALREADY PRUCHASED." MOREOVER, CAF BELIEVED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LA PAZ 03005 092235Z

STILL TO BE INSISTING ON LEASE ARRANGEMENT.

4. FINANCE MINISTER TOLD EMBASSY THAT ONCE TWO JETS IN SERVICE (PROBABLY IN AUGUST), LAB WILL SEEK TRANSIT RIGHTS IN PANAMA SO THAT IT CAN MAKE USE OF RIGHTS TO CONNECT WITH MIAMI. HE ALSO STATED THAT INSTEAD OF PURCHASING THIRD 727 FROM BOEING IN 1975, LAB MAY PURCHASE FOUR MORE F-27S FOR IN-COUNTRY ROUTES. OTHER BOLIVIANS FAMILIAR WITH LAB STATE THAT AIRLINE HAS NOT YET FORMULATED FIRM PLANS FOR FUTURE INVESTMENT, ALTHOUGH IN GENERAL AIRLINE HOPES TO EXTEND AND INCREASE FREQUENCY ON ROUTES AND EXTEND SERVICE TO OTHER CITIES, E.G. RIO AND BOGOTA.
STEDMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CIVIL AVIATION, AIRLINES, AIRCRAFT SALES, CREDIT AGREEMENTS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAPAZ03005
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740113-0798
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740562/aaaaccus.tel
Line Count: 72
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2002 by cunninfx>; APPROVED <06 FEB 2003 by GarlanWA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LAB BUYS JET
TAGS: EFIN, BL, US, LLOYD AEREO BOLIVIANO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005